

## ADJUSTMENTS TO PWSB REVENUE REQUIREMENTS

### Labor

		<u>Annual</u>	<u>Two Year</u>	<u>Average</u>
reduced by	2.08%	1.04	1.0816	1.0608

### Pension & Benefits

Per PW Schedule F, FICA and the "1/2% Wage Assignment" were adjusted by 8.16% for salary increases. The proper increase should be for 6.08% per KCWA 1-12.

	<u>Per PW Sch F</u>	<u>Revsd(above)</u>
FICA	\$66,850	\$65,564
1/2% Wage Adj	<u>\$2,338</u>	<u>\$2,293</u>
Total	\$69,188	\$67,857

### Property Taxes

reduced to FY 2003 actual levels per DIV 1-10, no provision in Abbreviated filing for estimates

### Operating Expenses

#### Treatment

Chemicals were reduced per response to DIV 1-19 to	\$742,174
Misc. was reduced per response to DIV 1-19(e) by:	\$25,000

### Administrative

Contract Services - Other reduced for non-recurring cost of Oracle financial System \$0  
Regulatory - rate case cost estimates of \$60,000 spread over two years and estimated costs of \$30,000 (Comm 1-15) removed.

**RETAIL WATER METERS BY SIZE****Proposed by Providence Water**

<u>Meter Size</u>	<u>Residential</u>		<u>Commercial</u>		<u>Industrial</u>	
	<u>Monthly</u>	<u>Quarterly</u>	<u>Monthly</u>	<u>Quarterly</u>	<u>Monthly</u>	<u>Quarterly</u>
5/8	0	50,587	0	2,777	0	207
3/4	0	8,051	0	920	0	82
1	0	4,247	0	739	0	65
1.5	0	813	0	583	0	87
2	0	634	0	1,080	0	228
3	0	6	0	20	0	5
4	0	7	0	31	0	5
6	0	27	0	45	0	9
8	0	12	0	16	0	5
10	0	3	0	2	0	0
12	0	0	0	1	0	0
Totals	0	64,387	0	6,214	0	693

Adjustments 100.0% 100.0% 100.0% 100.0% 100.0% 100.0%

**Proposed Pro Forma**

<u>Meter Size</u>	<u>Residential</u>		<u>Commercial</u>		<u>Industrial</u>	
	<u>Monthly</u>	<u>Quarterly</u>	<u>Monthly</u>	<u>Quarterly</u>	<u>Monthly</u>	<u>Quarterly</u>
5/8	0	50,587	0	2,777	0	207
3/4	0	8,051	0	920	0	82
1	0	4,247	0	739	0	65
1.5	0	813	0	583	0	87
2	0	634	0	1,080	0	228
3	0	6	0	20	0	5
4	0	7	0	31	0	5
6	0	27	0	45	0	9
8	0	12	0	16	0	5
10	0	3	0	2	0	0
12	0	0	0	1	0	0
Totals	0	64,387	0	6,214	0	693

Monthly Billings 0  
Quarterly Billings 285,176  
Total Billings 285,176

	<u>Number in Service</u>		<u>KCWA</u>
	<u>Per PWSB</u>	<u>Adjustments</u>	
<u>Public Fire Hydrants</u>			
Providence	5,748	35	5,783

**Private Fire Service Connections**

<u>Size</u>			
3/4	9	0	9
1	14	0	14
1.5	2	0	2
2	23	0	23
3	0	0	0
4	228	0	228
6	975	0	975
8	133	0	133
10	1	0	1
12	7	0	7
Subtotal	1,392	0	1,392
Total	7,140	35	7,175

based on system demands above)

<u>Capacity</u>		<u>Allocation</u>	<u>Retail</u>				<u>Fire Protection</u>	<u>Wholesale</u>		
<u>MGD</u>	<u>Percent</u>		<u>Base</u>	<u>Maximum Day</u>	<u>Peak Hour</u>			<u>Base</u>	<u>Maximum Day</u>	<u>Peak Hour</u>
160.00	62.3%	A	33.1%	0.0%	0.0%		0.6%	28.6%	0.0%	0.0%
38.59	15.0%	MP 75/25	6.4%	4.8%	0.0%		0.0%	2.1%	1.6%	0.0%
28.94	11.3%	MP 75/25	4.8%	3.6%	0.0%		0.0%	1.6%	1.2%	0.0%
8.35	3.3%	MP 67/33	1.2%	0.9%	0.0%		0.0%	0.6%	0.5%	0.0%
4.32	1.7%	S	0.7%	0.5%	0.3%		0.1%	0.0%	0.0%	0.0%
1.74	0.7%	S	0.3%	0.2%	0.1%		0.0%	0.0%	0.0%	0.0%
3.83	1.5%	S	0.6%	0.5%	0.3%		0.1%	0.0%	0.0%	0.0%
1.87	0.7%	S	0.3%	0.2%	0.1%		0.1%	0.0%	0.0%	0.0%
5.18	2.0%	S	0.9%	0.6%	0.4%		0.1%	0.0%	0.0%	0.0%
1.44	0.6%	S	0.2%	0.2%	0.1%		0.0%	0.0%	0.0%	0.0%
2.46	1.0%	S	0.4%	0.3%	0.2%		0.1%	0.0%	0.0%	0.0%
256.74	100.0%		49.1%	12.0%	1.5%		1.2%	33.0%	3.3%	0.0%

assigned based on calculations for symbol M assigned 75/25 retail/wholesale or 67/33retail/wholesale based oin response to KCWA 3-6

ased on %'s in Providence Sch. D-1 prior docket

	<u>Retail</u>				<u>Bill &amp; Collection</u>	<u>Fire Protection</u>	<u>Wholesale</u>		
	<u>Base</u>	<u>Maximum Day</u>	<u>Peak Hour</u>	<u>Meter &amp; Service</u>			<u>Base</u>	<u>Maximum Day</u>	<u>Peak Hour</u>
A	\$200,199	\$0	\$0	\$0	\$0	\$3,769	\$172,923	\$0	\$0
S	\$32,193	\$24,179	\$14,086	\$0	\$0	\$5,464	\$0	\$0	\$0
P	\$232,392	\$24,179	\$14,086	\$0	\$0	\$9,233	\$172,923	\$0	\$0
	51.3%	5.3%	3.1%	0.0%	0.0%	2.0%	38.2%	0.0%	0.0%

ail meter, billing & fire costs assigned to retail base to comply with State law and previous Commission rulings regarding the recovery of IFR costs

<u>Power</u>		<u>Allocation</u>	<u>Retail</u>				<u>Fire Protection</u>	<u>Wholesale</u>		
<u>Cost</u>	<u>Percent</u>		<u>Base</u>	<u>Maximum Day</u>	<u>Peak Hour</u>			<u>Base</u>	<u>Maximum Day</u>	<u>Peak Hour</u>
\$0	0.0%	A	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%
\$165,022	39.7%	MP 75/25	17.0%	12.8%	0.0%		0.0%	5.7%	4.3%	0.0%
\$102,178	24.6%	MP 75/25	10.5%	7.9%	0.0%		0.0%	3.5%	2.6%	0.0%
\$114,756	27.6%	MP 67/33	10.6%	7.9%	0.0%		0.0%	5.2%	3.9%	0.0%
\$13,683	3.3%	S	1.4%	1.0%	0.6%		0.2%	0.0%	0.0%	0.0%
\$0	0.0%	S	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%
\$2,800	0.7%	S	0.3%	0.2%	0.1%		0.0%	0.0%	0.0%	0.0%
\$4,440	1.1%	S	0.5%	0.3%	0.2%		0.1%	0.0%	0.0%	0.0%
\$8,110	2.0%	S	0.8%	0.6%	0.4%		0.1%	0.0%	0.0%	0.0%
\$4,730	1.1%	S	0.5%	0.4%	0.2%		0.1%	0.0%	0.0%	0.0%
\$415,719	100.0%		41.5%	31.2%	1.5%		0.6%	14.4%	10.8%	0.0%

assigned based on calculations for symbol M assigned 75/25 retail/wholesale or 67/33retail/wholesale based oin response to KCWA 3-6

<u>mgd</u>	<u>percent</u>
60.66	45.7%
45.56	34.3%
26.54	20.0%
132.75	100.0%

From system demands above less fire  
From system demands above less fire  
From system demands above less fire  
See Schedule 2.1 - fire percent of total

	<u>Retail</u>				<u>Bill &amp; Collection</u>	<u>Fire Protection</u>	<u>Wholesale</u>		
	<u>Base</u>	<u>Maximum Day</u>	<u>Peak Hour</u>	<u>Meter &amp; Service</u>			<u>Base</u>	<u>Maximum Day</u>	<u>Peak Hour</u>
A	\$345,394	\$0	\$0	\$0	\$0	\$6,502	\$298,336	\$0	\$0
N	\$12,365	\$3,020	\$380	\$0	\$0	\$304	\$8,308	\$827	\$0
A	\$1,110,443	\$0	\$0	\$0	\$0	\$20,905	\$959,153	\$0	\$0
H	\$502,768	\$193,033	\$127,994	\$1,284,824	\$320,265	\$245,890	\$306,859	\$58,689	\$0
D	\$0	\$0	\$0	\$0	\$1,810,359	\$0	\$0	\$0	\$0
	\$1,970,971	\$196,053	\$128,373	\$1,284,824	\$2,130,624	\$273,602	\$1,572,656	\$59,516	\$0
Y	25.88%	2.57%	1.69%	16.87%	27.97%	3.59%	20.65%	0.78%	0.00%

**REVENUE RECONCILIATION**

	Number	Current Revenue	New Revenue	% Change	New Revenue	% Change
<u>Retail Consumption (\$/hcf)</u>						
Residential/Other	10,155,307	\$16,350,044	\$14,115,877		\$17,568,681	
Commercial/Municipal	4,770,757	\$7,346,966	\$6,201,984		\$7,919,457	
Industrial	<u>954,873</u>	<u>\$1,432,310</u>	<u>\$1,059,909</u>		<u>\$1,546,894</u>	
Subtotal		\$25,129,320	\$21,377,770	-14.9%	\$27,035,032	7.6%
<u>Service Charges</u>						
<u>Monthly</u>						
5/8	0	\$0	\$0		\$0	
3/4	0	\$0	\$0		\$0	
1	0	\$0	\$0		\$0	
1-1/2	0	\$0	\$0		\$0	
2	0	\$0	\$0		\$0	
3	0	\$0	\$0		\$0	
4	0	\$0	\$0		\$0	
6	0	\$0	\$0		\$0	
8	0	\$0	\$0		\$0	
10	0	\$0	\$0		\$0	
12	0	\$0	\$0		\$0	
<u>Quarterly</u>						
5/8	53,571	\$2,142,840	\$6,066,380		\$2,307,839	
3/4	9,053	\$387,831	\$1,025,162		\$417,886	
1	5,051	\$253,964	\$742,901		\$273,562	
1-1/2	1,483	\$89,277	\$312,201		\$96,158	
2	1,942	\$169,964	\$515,640		\$183,092	
3	31	\$8,948	\$10,462		\$9,641	
4	43	\$15,616	\$20,514		\$16,825	
6	81	\$43,494	\$63,660		\$46,860	
8	33	\$24,275	\$43,668		\$26,153	
10	5	\$4,578	\$6,616		\$4,933	
12	1	<u>\$1,096</u>	<u>\$1,323</u>		<u>\$1,180</u>	
Subtotal		3,141,881	8,808,528	180.4%	3,384,129	7.7%
<u>Hydrant Charge (Annual)</u>	5,783	\$1,092,814	\$902,206	-17.4%	\$1,177,419	7.7%
<u>Private Fire</u>						
3/4	9	\$388	\$1,023		\$418	
1.0	14	\$799	\$2,079		\$860	
1.5	2	\$184	\$429		\$198	
2	23	\$3,080	\$6,307		\$3,318	
3	0	\$0	\$0		\$0	
4	228	\$84,697	\$121,022		\$91,255	
6	975	\$702,858	\$918,411		\$757,263	
8	133	\$151,636	\$220,211		\$163,372	
10	1	\$1,629	\$1,921		\$1,755	
12	7	<u>\$15,317</u>	<u>\$16,023</u>		<u>\$16,503</u>	
Subtotal - Private		<u>\$960,588</u>	<u>\$1,287,426</u>	34.0%	<u>\$1,034,942</u>	7.7%
Subtotal - Fire		\$2,053,402	\$2,189,632		\$2,212,361	7.7%
<u>Wholesale (mg)</u>	10,260	\$10,434,147	\$11,537,684	10.6%	\$11,241,793	7.7%
<u>Misc Revenue</u>		\$1,241,571	\$1,241,571	0.0%	\$1,241,571	0.0%
Total Revenue		=====	=====	7.5%	=====	7.4%
		\$42,000,321	\$45,155,184		\$45,114,886	
Required			\$45,205,720		\$45,205,720	
Difference			-\$50,536		-\$90,834	
Percent			-0.1%		-0.2%	
		\$40,758,750	\$43,913,613	7.7%	\$43,873,315	7.6%

	<u>Current</u>	<u>PW Proposed</u>	<u>% Increase</u>	<u>KCWA Proposed</u>	<u>% Increase</u>	<u>KCWA ATB</u>	<u>% Increase</u>
<b><u>Retail</u></b>							
<b><u>Service Charge</u></b>							
<b><u>Quart</u></b>							
5/8	\$10.00	\$11.34	13.40%	\$28.31	183.1%	\$10.77	7.7%
3/4	\$10.71	\$12.14	13.35%	\$28.31	164.3%	\$11.54	7.7%
1	\$12.57	\$14.25	13.37%	\$36.77	192.5%	\$13.54	7.7%
1.5	\$15.05	\$17.06	13.36%	\$52.63	249.7%	\$16.21	7.7%
2	\$21.88	\$24.81	13.39%	\$66.38	203.4%	\$23.57	7.7%
3	\$72.16	\$81.82	13.39%	\$84.37	16.9%	\$77.75	7.7%
4	\$90.79	\$102.94	13.38%	\$119.27	31.4%	\$97.82	7.7%
6	\$134.24	\$152.21	13.39%	\$196.48	46.4%	\$144.63	7.7%
8	\$183.90	\$208.51	13.38%	\$330.82	79.9%	\$198.13	7.7%
10	\$228.91	\$259.55	13.39%	\$330.82	44.5%	\$246.63	7.7%
12	\$273.92	\$310.58	13.38%	\$330.82	20.8%	\$295.12	7.7%
<b><u>Monthly</u></b>							
5/8	\$5.95	\$6.75	13.45%	\$21.25	257.1%	\$6.41	7.7%
3/4	\$6.16	\$6.98	13.31%	\$21.25	245.0%	\$6.64	7.8%
1	\$6.78	\$7.69	13.42%	\$24.07	255.0%	\$7.30	7.7%
1.5	\$7.60	\$8.62	13.42%	\$29.36	286.3%	\$8.19	7.8%
2	\$9.88	\$11.20	13.36%	\$33.95	243.6%	\$10.64	7.7%
3	\$26.64	\$30.21	13.40%	\$39.94	49.9%	\$28.70	7.7%
4	\$32.85	\$37.25	13.39%	\$51.58	57.0%	\$35.39	7.7%
6	\$47.33	\$53.66	13.37%	\$77.31	63.3%	\$50.99	7.7%
8	\$63.89	\$72.44	13.38%	\$122.09	91.1%	\$68.84	7.7%
10	\$78.89	\$89.45	13.39%	\$122.09	54.8%	\$85.00	7.7%
12	\$93.89	\$106.46	13.39%	\$122.09	30.0%	\$101.16	7.7%
<b>Metered</b>							
0 - 1000 ccf	\$0.00						
over 1000 ccf	\$0.00						
Res	\$1.61	\$1.83	13.66%	\$1.39	-13.7%	\$1.73	7.5%
Comm	\$1.54	\$1.75	13.64%	\$1.30	-15.6%	\$1.66	7.8%
Ind	\$1.50	\$1.70	13.33%	\$1.11	-26.0%	\$1.62	8.0%
<b><u>Hydrants (\$/m</u></b>	<b>\$188.97</b>	<b>\$214.26</b>	<b>13.38%</b>	<b>\$156.01</b>	<b>-17.4%</b>	<b>\$203.60</b>	<b>7.7%</b>

**Private Fire****Quart**

5/8	\$9.03	\$0.00					
3/4	\$10.77	\$12.21	13.37%	\$28.41	163.8%	\$11.60	7.7%
1	\$14.26	\$16.17	13.39%	\$37.12	160.3%	\$15.36	7.7%
1.5	\$23.00	\$26.08	13.39%	\$53.65	133.3%	\$24.78	7.7%
2	\$33.48	\$37.96	13.38%	\$68.55	104.7%	\$36.07	7.7%
3				\$90.67		\$0.00	
4	\$92.87	\$105.30	13.38%	\$132.70	42.9%	\$100.06	7.7%
6	\$180.22	\$204.34	13.38%	\$235.49	30.7%	\$194.17	7.7%
8	\$285.03	\$323.18	13.38%	\$413.93	45.2%	\$307.09	7.7%
10	\$407.30	\$461.81	13.38%	\$480.29	17.9%	\$438.83	7.7%
12	\$547.05	\$620.27	13.38%	\$572.26	4.6%	\$589.39	7.7%

**Wholesale**

per mg	\$1,017.00	\$1,153.12	13.38%	\$1,124.56	10.6%	\$1,095.72	7.7%
	\$0.76077						

\$76,146.40  
\$77,440,888.80



<u>KCWA Use</u>	<u>Savings</u>
2,502.441	\$143,640

Increase per PWSB	\$340,632
Increase per W&A	\$196,992



Use - CCF Meters on pg 14 of Olstein Testimony

	<u>FY 99</u>	<u>FY 00</u>	<u>Avg</u>	<u>Percent</u>	<u>MG</u>	<u>MG 2000</u> <u>Avg Day</u>
<b><u>Wholesale</u></b>						
E Providence	2,639,219	1,829,950	2,234,585	19.1%	3.75	5.00
Greenville	397,665	338,000	367,833	3.1%	0.69	0.92
E Smithfield	352,437	259,480	305,959	2.6%	0.53	0.71
Smithfield	412,072	315,210	363,641	3.1%	0.65	0.86
Warwick	4,456,795	3,591,340	4,024,068	34.4%	7.36	9.87
Kent County	3,285,936	2,344,520	2,815,228	24.1%	4.80	6.70
Johnston	328,499	223,830	276,165	2.4%	0.46	0.61
Lincoln	1,011,352	778,850	895,101	7.7%	1.60	2.13
Bristol County	<u>322,537</u>	<u>499,620</u>	<u>411,079</u>	3.5%	1.02	<u>1.37</u>
Total	13,206,512	10,180,800	11,693,656	100.0%		28.17

### System Demand Data

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>Average</u>
<u>Avg Day (mgd)</u>	69.43	64.28	66.22	68.19	67.39	67.10
<u>Max Day (mgd)</u>	114.90	109.60	121.70	122.90	118.40	117.50
ratio	1.65	1.71	1.84	1.80	1.76	1.75
	Aug 1 95	Jun 21 97	July 1 97	June 24 99	July 17 99	
<u>Peak Hour (mgd)</u>	148.30	145.60	137.10	149.50	153.80	146.86
ratio	2.14	2.27	2.07	2.19	2.28	2.19

	<u>Avg</u>	<u>7/31</u>	<u>7/28</u>
E Providence	5.00	7.88	8.15
Greenville	0.92	2.59	2.46
E Smithfield			
Smithfield	0.86	1.53	1.46
Warwick	9.87	22.05	26.35
Kent County	6.70	9.59	9.73
Johnston			
Lincoln	2.13	3.73	3.04
Bristol County	<u>1.37</u>	<u>2.97</u>	<u>2.85</u>

Totals	26.85	50.34	1.87	54.04	2.01
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<u>Avg Day</u>	<u>Max Day</u>		<u>Peak Hour</u>	
	<u>Factor</u>	<u>Amt</u>	<u>Factor</u>	<u>Amt</u>
5.00		7.80		9.30
0.92		1.78		2.59
0.86		1.53		2.13
9.87		23.20		28.51
6.70	1.45	9.73	1.69	11.35
2.13		3.73		4.54
1.37		2.97		3.74
26.85	1.89	50.74	2.32	62.16
95.3%				



**Changes**

5/8		\$184	90	\$16,560
3/4		\$230	2	\$460
	1	\$266	10	\$2,660
	2	\$457	7	\$3,199
	2	\$545	32	\$17,440
				\$40,319